

106TH CONGRESS
2D SESSION

H. R. 5093

To amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to improve the ability of medical professionals to practice medicine and provide quality care to patients by providing reimbursement and a tax deduction for patient bad debt.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2000

Mr. THORNBERRY introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to improve the ability of medical professionals to practice medicine and provide quality care to patients by providing reimbursement and a tax deduction for patient bad debt.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Patient Fairness and
5 Indigent Care Promotion Act of 2000”.

1 **SEC. 2. RESTORATION OF BBA REDUCTION AND REIM-**
 2 **BURSEMENT OF HOSPITALS FOR 100 PER-**
 3 **CENT OF MEDICARE BENEFICIARY BAD DEBT.**

4 Section 1861(v)(1)(T)(iii) of the Social Security Act
 5 (42 U.S.C. 1395x(v)(1)(T)(iii)), as added by section 4451
 6 of the Balanced Budget Act of 1997, is amended by strik-
 7 ing “during a subsequent fiscal year” and inserting “dur-
 8 ing fiscal year 2000”.

9 **SEC. 3. BAD DEBT DEDUCTION FOR CASH BASIS HEALTH**
 10 **CARE PROVIDERS FOR UNPAID SERVICES**
 11 **PROVIDED TO LOW-INCOME INDIVIDUALS.**

12 (a) IN GENERAL.—Section 166 of the Internal Rev-
 13 enue Code of 1986 (relating to bad debts) is amended by
 14 redesignating subsection (f) as subsection (g) and by in-
 15 serting after subsection (e) the following new subsection:

16 “(f) UNPAID MEDICAL CARE PROVIDED TO LOW-IN-
 17 COME INDIVIDUALS.—

18 “(1) IN GENERAL.—In the case of a taxpayer
 19 to whom this subsection applies, the deduction under
 20 subsection (a) for worthless qualified medical care
 21 debt shall not be less than 75 percent of the tax-
 22 payer’s charge for such care.

23 “(2) TAXPAYER TO WHOM SUBSECTION AP-
 24 PLIES.—This subsection shall apply to any taxpayer
 25 who is engaged in the trade or business of providing
 26 medical care other than as an employee and who

1 used the cash receipts and disbursements method of
2 accounting.

3 “(3) QUALIFIED MEDICAL CARE DEBT.—For
4 purposes of this subsection, the term ‘qualified med-
5 ical care debt’ means any debt for medical care pro-
6 vided by the taxpayer to a low-income individual.

7 “(4) DETERMINATION OF CHARGE.—The
8 amount of the taxpayer’s charge which may be taken
9 into account—

10 “(A) shall not exceed the amount of the
11 charge that would be recognized for purposes of
12 title XVIII of the Social Security Act, and

13 “(B) shall not include any amount for
14 which the taxpayer is not entitled to reimburse-
15 ment from the low-income individual.

16 “(5) LOW-INCOME INDIVIDUAL.—For purposes
17 of this subsection, the term ‘low-income individual’
18 means an individual with a modified adjusted gross
19 income (as defined in section 34(c)(5)) below 135
20 percent of the income official poverty line (as de-
21 fined by the Office of Management and Budget, and
22 revised annually in accordance with section 673(2)
23 of the Omnibus Budget Reconciliation Act of 1981)
24 applicable to a family of the size involved.

1 “(6) MEDICAL CARE.—For purposes of this
2 subsection, the term ‘medical care’ has the meaning
3 given to such term by section 213(d).”

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to taxable years beginning after
6 the date of the enactment of this Act.

○